

XI. CONCLUSIONS AS TO INDIVIDUAL CULPABILITY

With regard to the City's unlawful financial disclosures, we believe the evidence supports the determination that the following City representatives acted with wrongful intent, i.e., scienter as defined pursuant to Section 10(b) of the Securities Exchange Act of 1934:

Deputy City Manager Patricia Frazier
City Treasurer Mary Vattimo
Auditor and Comptroller Ed Ryan
Deputy Auditor and Comptroller Terri Webster
SDCERS Administrator Larry Grissom
Utilities Finance Administrator Dennis Kahlie
Deputy Director, MWWWD William Hanley
Deputy City Attorney Kelly Salt

As to the City's financial disclosures, we believe the evidence supports a determination that the following City representatives were negligent in the fulfillment of their responsibilities to the City:

City Manager Jack McGrory
City Manager Michael Uberuaga
City Attorney Casey Gwinn
Accounting Division Manager Phil Phillips
Principal Accountant Rudy Graciano
Executive Assistant City Attorney Leslie Girard
SDCERS General Counsel Loraine Chapin
Senior Deputy City Attorney Ted Bromfield

As to the members of the SDCERS Board of Trustees, we believe the evidence supports the determination that the following SDCERS board members breached their fiduciary responsibilities:

SDCERS Board President Keith Enerson
Deputy City Manager, SDCERS Board member Bruce Herring
SDCERS Board member Sharon Wilkinson
Deputy Auditor and Comptroller, SDCERS Board member Terri Webster
SDCERS Board member Robert Scannell
SDCERS Board member Ronald Saathoff
SDCERS Board member John Torres
City Treasurer, SDCERS Board member Conny Jamison
SDCERS Board member John Casey
City Treasurer, SDCERS Board member Mary Vattimo
SDCERS Board President Frederick Pierce, IV
City Human Resources Director, SDCERS Board member Cathy Lexin

As to members of the City Council, we believe the evidence supports a determination that the following Council members were negligent in fulfillment of their bond offering disclosure responsibilities:

Mayor Richard Murphy
Councilmember Toni Atkins
Councilmember Donna Frye
Councilmember Ralph Inzunza
Councilmember James Madaffer
Councilmember Brian Maienschein
Councilmember Scott Peters
Councilmember George Stevens
Councilmember Byron Wear

We believe the evidence also supports a determination that, with the exception of Donna Frye, George Stevens, and Byron Wear, those same Councilmembers knowingly and improperly caused the City to violate federal and state law by failing to act in accordance with sewage treatment cost allocation legal mandates.